



AMENDED NEBRASKA CORPORATION INCOME TAX RETURN

FORM 1120XN

Taxable year beginning and ending PLEASE DO NOT WRITE IN THIS SPACE

Please Print or Type

Name, Street or Other Mailing Address, City or Town, State, Zip Code, Nebraska Identification Number, Federal Identification Number

A Is an amended federal return being filed? B Has the original federal return been changed or corrected by the I.R.S.? C Are you filing to claim a carryback of a net operating or capital loss? D Has the corporation been advised that the original 1120N is being or will be audited?

Corporation Filing Status. Answer questions E through H, as applicable.

E Is this a corporation that owns at least 50% of another corporation? F Is a single Nebraska return being filed for the entire group? G Are you filing as a unitary group in any other state? H Check the method used to determine Nebraska income

Table with 3 columns: Computation of Tax, (A) As Originally Reported or As Adjusted, (B) Net Change (Explain on Reverse Side), (C) Correct Amount. Rows 1-30 including Federal gross sales, adjustments, taxes, and balance due.

Under penalties of perjury, I declare that as taxpayer or preparer I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign here

Signature of Officer, Title, Date, Telephone Number, Signature of Preparer Other Than Taxpayer, Address, Date, Telephone Number

Authorized Contact Person Title Telephone Number

Mail this return and payment to: NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 94818, LINCOLN, NE 68509-4818



**Nebraska Schedule I — Apportionment and Allocation of Income**  
**Nebraska Schedule II— Explanation of Changes**

Name as Shown on Form 1120XN

Nebraska Identification Number

24 —

**Nebraska Schedule I — Apportionment and Allocation of Income**

- All factors must be rounded to six decimal places and entered as a percent.  
 (see instructions for restrictions on allocation of income)

|   | Nebraska Amount As Reported or Adjusted | Nebraska Correct Amount |
|---|---|-------------------------|
| 1 Adjusted federal taxable income (line 4, Form 1120XN) . . . . .                               | 1                                       |                         |
| 2 Allocable, nonapportionable income, minus related expense (line 14 below) . . . . .           | 2                                       |                         |
| 3 Taxable income subject to apportionment (line 1 minus line 2) . . . . .                       | 3                                       |                         |
| 4 Nebraska apportionment factor (line 13 below) . . . . .                                       | 4                                       | %                       |
| 5 Taxable income apportioned to Nebraska (line 3 multiplied by line 4) . . . . .                | 5                                       |                         |
| 6 Allocable, nonapportionable income allocated to Nebraska (line 15 below) . . . . .            | 6                                       |                         |
| 7 Nebraska taxable income (line 5 plus line 6). Enter here and on line 5, Form 1120XN . . . . . | 7                                       |                         |

| Apportionment Factors   | (A) Total | (B) Nebraska Amount As Reported or Adjusted | (C) Nebraska Net Change (Explain Below) | (D) Nebraska Correct Amount | (E) Nebraska Percent (Total of Column D Divided by Column A) |
|---|-----------|---|---|-----------------------------|--|
| 8 Property . . . . .  | 8         |   |   |                             | %  |
| 9 Payroll . . . . .   | 9         |   |   |                             | %  |
| 10 Sales or gross receipts . . . . .  | 10        |   |   |                             | %  |
| 11 Total percent (total of lines 8 through 10) . . . . .  |           |   |   | 11                          | %  |
| 12 Three-factor apportionment formula (line 11 divided by 3) . . . . .  |           |   |   | 12                          | %  |
| 13 Nebraska apportionment factor ( <b>special phase-in rules apply for tax years after 1987 — see specific instructions</b> ). Enter here and on line 4 above . . . . . |           |   |   | 13                          | %  |

| Allocation of Nonapportionable Income       | Net Nonapportionable Income As Reported or Adjusted | Net Nonapportionable Income Net Change (Explain Below) | Net Nonapportionable Income As Amended |
|---|---|--|--|
| 14 Income allocated to all states . . . . . | 14  |  |  |
| 15 Income allocated to Nebraska . . . . .   | 15  |  |  |

**Nebraska Schedule II — Explanation of Changes**

- Reference changes to attached schedules
- Attach schedules if necessary

Visit our Web site: [www.revenue.state.ne.us](http://www.revenue.state.ne.us), or call 1-800-742-7474 (toll free in NE and IA) or 1-402-471-5729.

**FOR NEBRASKA DEPARTMENT OF REVENUE USE ONLY**

|                  |                   |       |
|------------------|-------------------|-------|
| Previous Penalty | Previous Interest | Other |
|------------------|-------------------|-------|

## INSTRUCTIONS FOR AMENDED NEBRASKA CORPORATION INCOME TAX RETURN

**AN AMENDED NEBRASKA CORPORATION INCOME TAX RETURN, FORM 1120XN**, is filed when the corporation's federal or another state's tax return is amended or corrected, or whenever the information on the Nebraska return previously filed is not correct. An amended return reporting a change or correction must be mailed separately from the annual return of the corporation.

**WHEN TO FILE.** Any corporation whose reported bonus depreciation, enhanced Section 179 expense deduction, income, or deductions are changed or corrected by the Internal Revenue Service or through a renegotiation of a contract with the United States must report the change or correction within 90 days of the determination by filing Form 1120XN. In addition, any corporation whose reported income or allowable tax credits in another state are changed or corrected by that state or any other competent authority in a way material to the tax liability owed to Nebraska must report the change or correction within 90 days after it becomes final by filing Form 1120XN.

Any corporation which files an amended return with the Internal Revenue Service or which files an amended return with another state involving a change or correction material to its Nebraska tax liability must file an amended return with the Nebraska Department of Revenue within 90 days of the filing of the amended federal or state return.

Except as otherwise noted, a Form 1120XN which is used to claim a refund must be filed within three years from the time the original return was filed, or within two years from the time the tax was paid, whichever occurs later. Form 1120XN must be filed to claim a refund resulting from a federal or state change within two years and 90 days following the final determination of such change (but not more than ten years from the due date of the original return in the case of a change made by another state). Interest on such refunds will cease to accrue after the 90th day if the amended return has not been filed within 90 days after the change. Attach a copy of any federal document relating to the federal change which establishes the timeliness of the refund claim.

**If a hearing is desired, the hearing must be requested at the time this amended return is filed.**

### **NET OPERATING LOSSES AND CAPITAL LOSSES.**

For tax years beginning on or after January 1, 1987, corporations may only carry forward net operating losses and capital losses for the following five tax years. No carrybacks will be allowed. For tax years prior to 1987, a federal election to carry forward a corporate net operating loss is binding for Nebraska.

**INFORMATION ON INCOME, DEDUCTIONS.** If you have any questions regarding the taxability of any item, the allowance of deductions, adjustments, or credits, etc., refer to the instructions for Form 1120N and U.S. Corporation Income Tax Return, Federal Form 1120, for the year you are amending.

**TAXPAYER ASSISTANCE.** Nebraska Department of Revenue offices are located in Grand Island, Lincoln, Norfolk, North Platte, Omaha, and Scottsbluff. Persons within Nebraska and Iowa may call for taxpayer assistance by dialing 1-800-742-7474 (toll free in Nebraska and Iowa) or 1-402-471-5729.

**SIGNATURES.** This return must be signed by a corporate officer. If the taxpayer authorizes another person to sign this return, a power of attorney must be on file with the Nebraska Department of Revenue.

Any person who is paid for preparing a taxpayer's return must also sign the return as preparer.

An income tax return signed by the preparer is considered to be a limited power of attorney authorizing the Nebraska Department of Revenue to release only the information contained on that return to the preparer.

## SPECIFIC INSTRUCTIONS

**COLUMN A.** Enter the amounts shown on your original return or as later adjusted.

**COLUMN B.** Enter the net changes to the amounts entered in column A. All entries in column B must be explained in detail on Explanation of Changes, Nebraska Schedule II, Form 1120XN, with supporting schedules attached.

**COLUMN C.** Enter the corrected totals after the increases or decreases shown in column B. If there are no changes, enter the amount from column A.

**LINE 1.** Enter the amount of total sales or gross receipts reported on the federal return.

**LINE 3. ADJUSTMENT TO FEDERAL TAXABLE INCOME.** Enter the net increase or decrease in income resulting from Nebraska adjustments for the following items:

### **Increase in federal taxable income:**

1. Federal net operating or capital loss carryover allowed on the federal return.
2. For the 1987 and later tax years, interest income from non-Nebraska state and local bonds exempt from federal taxation.
3. **Bonus depreciation.** Add back 85 percent (.85) of the total federal bonus depreciation claimed on the federal return.
4. **Enhanced Section 179 expense deduction.** Add back 100 percent of any federal Section 179 expense claimed on the federal return in excess of \$25,000.

The amount of bonus depreciation and enhanced Section 179 expense deduction added back may be reclaimed in later taxable years in the following manner. Twenty percent of the total amount of 2003 bonus depreciation and enhanced Section 179 expense deduction may be subtracted in the corporation's first taxable year beginning or deemed to begin on or after January 1, 2006, and 20 percent in each of the next four taxable years. **Reminder:** For tax years 2001 and 2002 corporations must add back 85 percent of the bonus depreciation claimed in those years. Twenty percent of the tax year 2001 and 2002 bonus depreciation added back may be subtracted in the first taxable year beginning on or after January 1, 2005, and 20 percent in each of the next four taxable years. **All taxpayers filing an amended return to report or change bonus depreciation or enhanced Section 179 expense deduction must attach a workpaper detailing the specifics of the entry.**

### **Decrease in federal taxable income:**

1. Interest or dividend income from U.S. government obligations included in federal taxable income. Attach a schedule listing the type and amount of income derived from each obligation for which a deduction is claimed. See Corporation Income Tax Regulations 24-048 and 24-050 for allowable deductions of income from U.S. government obligations.
2. Foreign dividends, foreign dividend gross-up, or special foreign tax credit deduction.
3. Nebraska College Savings Plan donations, gifts, or grants. Maximum annual exempt contribution per return is \$1,000.
4. Any other adjustments. Attach a detailed explanation of the basis for such adjustment and any necessary schedules.

**LINE 5.** Enter the amounts from line 4 on line 5 if all income was derived from within Nebraska. Enter the amount from Apportionment and Allocation of Income, Nebraska Schedule I, line 7, if income was apportioned and allocated.

**LINE 6.** Enter the amount of allowable Nebraska operating loss and capital loss carryover. For any tax year beginning on or after January 1, 1987, net operating or capital losses may not be carried back. Instead, any net operating or capital loss is to be carried forward for up to the next five years.

All taxpayers filing an amended return to claim a net operating loss should attach a work paper detailing the specifics of the loss.

**LINE 8.** The Nebraska income tax is computed by multiplying the amount on line 7, column A, and line 7, column C, by the following rates.

| Year      | Nebraska Rate            |                          |                 |
|-----------|--------------------------|--------------------------|-----------------|
| 1990      | 5.17% of first \$50,000, | 7.24% of excess          |                 |
| 1991      | 5.58% of first \$50,000, | 7.81% of excess          |                 |
| 1992      | 5.58% of first \$50,000, | 7.81% of next \$150,000, | 8.98% of excess |
| 1993-2003 | 5.58% of first \$50,000, | 7.81% of excess          |                 |

For tax years prior to 1990 please contact taxpayer assistance for the applicable rates.

Corporations reporting for a fiscal year or filing a short period tax return must use the Nebraska rate that was in effect on the first day, or the deemed first day, of the taxable year for which the amended return is being filed.

**LINE 9.** Enter the amount of credit for in lieu of intangible tax paid (not accrued), if any, for the year this amended return is being filed. Attach a schedule listing the date of payment, amount of payment, and the payee.

**LINE 15.** The Nebraska depreciation surcharge applies only to the 1991 and 1992 tax years. The depreciation surcharge was invalidated for the 1991 tax year by the Nebraska Supreme Court. However, the Legislature re-enacted the surcharge for the 1992 tax year. The 1991 surcharge amount must be credited against any 1992 depreciation surcharge liability. See the 1991 or 1992 Form 1120N instructions for further information.

**CREDITS AND PAYMENTS.** If you are correcting the amount of a credit or other payment, refer to the instructions for Form 1120N and Federal Form 1120 for the year you are amending. Complete the appropriate forms and schedules. Assistance may be obtained by contacting the Nebraska Department of Revenue. Checks written to the Department of Revenue may be presented for payment electronically.

**LINE 24.** Enter on this line the "Overpayment" from your original return or as later corrected or adjusted. The amount of overpayment must be considered in preparing your Form 1120XN, since any amount claimed for refund on your original return will be refunded separately from any additional refund claimed on this amended return.

**LINE 27, PENALTY.** If the original return was not filed by its due date or within the period for which an extension was granted and line 26 indicates a tax due, then it will be necessary to compute a penalty for failure to timely file. Multiply the amount on line 26 by five percent per month or fraction of a month, not to exceed a total of 25 percent, from the due date as extended, until the original return was filed. Enter the result on line 27. Additional penalties may be imposed for:

1. Failure to pay tax when due,
2. Failure to file an amended return when required,
3. Preparing or filing a fraudulent income tax return,
4. Understatement of income on an income tax return, or
5. Underpayment of estimated tax.

**LINE 28, INTEREST.** Enter the total interest due, computed on the additional tax due at the statutory rate from the due date of the original return to the date of payment.

### INSTRUCTIONS FOR SCHEDULE I Apportionment and Allocation of Income

Nebraska Schedule I, Form 1120XN, is used if the operations of the corporation are carried on both within and without Nebraska. If the operations within Nebraska are dependent upon or contribute to the operations outside Nebraska, the entire operation is unitary. An operation is also unitary where a business is conducted as a single economic unit by one or more corporations with common ownership and includes all activities

in different lines of business that contribute to the single economic unit.

Apportionment means the process of determining the portion of federal taxable income derived from sources within Nebraska. The entire amount of federal taxable income is presumed to be apportionable income. Allocation means the process of determining the amount of nonapportionable income derived from sources within Nebraska.

**Lines relating to allocation of income to Nebraska, lines 6 and 15, apply primarily to amended returns prior to 1984.**

**LINE 2.** Enter the amount of allocable, nonapportionable income, minus all related expenses. Related expenses include all direct and indirect expenses attributable to the activities generating the nonapportionable income and, for 1984 and all later years, a portion of the total interest expense of the corporate taxpayer. The amount of interest related to the nonapportionable income is determined by multiplying the total interest expense by the ratio of the investment in the activities generating the nonapportionable income to the total investment.

**LINE 6.** Enter the amount of nonapportionable income allocable to Nebraska (primarily for tax years prior to 1984).

**Apportionment Factors.** Refer to the instructions provided with the Form 1120N as a guide for completion of this section. **All factors must be rounded to six decimal places, and entered as a percent.**

**COLUMN A.** Enter the total amounts shown on your original return or as later adjusted. If an adjusted total is entered, list the original total with a detailed explanation on Nebraska Schedule II, Explanation of Changes, Form 1120XN.

**LINE 13.** For all tax years 1987 and before, enter the amount from line 12 on line 13.

**For tax year 1988,** enter on line 13 the total of line 10, column E, multiplied by .20, plus line 12 multiplied by .80.

**For tax year 1989,** enter on line 13 the total of line 10, column E, multiplied by .40, plus line 12 multiplied by .60.

**For tax year 1990,** enter on line 13 the total of line 10, column E, multiplied by .60, plus line 12 multiplied by .40.

**For tax year 1991,** enter on line 13 the total of line 10, column E, multiplied by .80, plus line 12 multiplied by .20.

**For tax years 1992 and after,** lines 8 and 9 need not be completed. Complete line 10 and enter the amount from line 10, column E on line 13.

**For tax year 1995 and 1996,** throwback sales are weighted by a factor of .6667 and .3333, respectively. See the 1995 or 1996 Nebraska Corporation Income Tax Booklet for more information.

**For tax years 1997 and after,** throwback sales are no longer included in Nebraska sales or gross receipts.

### INSTRUCTIONS FOR SCHEDULE II Explanation of Changes

Enter the line reference from Form 1120XN or Nebraska Schedule I for which a change is reported, and an explanation of the change or the designation of the attached schedule on which the change is explained. If a change is due to an "Audit Determination" by the Internal Revenue Service or the revenue department of another state, attach a complete dated copy of the "Audit Determination."

Nebraska Schedule II, Form 1120XN, is also used for any changes applicable to Converting Net Income to Combined Net Income, Nebraska Schedule IV, Form 1120N, for 1983 through 1985, and years prior to 1978 (this was Nebraska Schedule III, Form 1120N, for 1978 through 1982, and after 1985).

For tax years 1983, 1984, or 1985, corporations claiming for the first time or revising the deduction for interest income from U.S. government obligations must complete that year's Adjustment for Government Obligations, Schedule II, Form 1120N, mark it "amended," and attach it to Form 1120XN when filed.